

**FIRST AMENDMENT TO THE LEASE BETWEEN
THE COUNTY OF SAN LUIS OBISPO AND
POTRATZ PROPERTIES, LLC**

This **FIRST AMENDMENT** is to that Lease dated October 16, 2012, by and between the County of San Luis Obispo, a public entity in the State of California, hereinafter referred to as "County", and Potratz Properties, LLC, a California limited liability company, hereinafter referred to as "Lessor."

WHEREAS, the County of San Luis Obispo currently leases approximately 15,121 square feet of improved office space and approximately 1,790 square feet of warehouse space from Lessor, located at 3563 Empleo Street, San Luis Obispo, California; and

WHEREAS, said Lease gave the County the first right to lease any additional space that may become available; and

WHEREAS, the Lessor informed the County that it has approximately 3,161 square feet of additional improved office space available; and

WHEREAS, County has a need for additional improved office space at 3563 Empleo Street, San Luis Obispo and wishes to exercise the option to expand the size of the leased premises

NOW, THEREFORE, in consideration of mutual covenants, promises and conditions herein set forth, the parties hereto mutually covenant and agree as follows:

That the Lease between the County of San Luis Obispo and Potratz Properties, LLC, a California limited liability company, be and hereby is amended as follows:

1. The Premises, as stated in Paragraph 1 of the Lease, shall be expanded effective May 1, 2014 to include approximately 18,282 square feet of improved office space (the Office Space Premises"), and approximately 1,790 square feet of warehouse space (the "Warehouse Space Premises") as depicted on Exhibit "A" attached hereto, located at 3563 Empleo Street, San Luis Obispo, California.

2. Exhibit "A" to the Lease is amended to include the additional 3,161 square feet of improved office space.

3. Rent for the Office Space Premises shall be Twenty-Four Thousand Three Hundred Fifteen Dollars (\$24,315.00) per month as of May 1, 2014 [through November 30, 2015]. If the County takes possession of the additional 3,161 square feet of improved office space prior to or after May 1, 2014, the monthly rental amount of the additional square footage shall be prorated by dividing the monthly rent by 30 to get a daily rate.

4. Paragraph 6 "Taxes and Utilities" Section "A" is deleted in its entirety.

5. Paragraph 6 "Taxes and Utilities" Section "B" shall be amended to read: County shall reimburse Lessor ninety-five percent (95%) of the monthly gas and electric meter charges for the entire building of which the Premises is a part, until such time that the County may expand the size of the Premises, when the County shall thereafter pay a corresponding increase in the total gas and electric charges for the building. County shall pay for 11 CCF water per billing cycle.

6. Paragraph 6 "Taxes and Utilities" Section "C" shall be added as follows: County shall pay Lessor a flat rate for utility reimbursement for water, sewer, gas and electric meter charges, as described in Paragraph 6 Subsection B, an amount equal to \$2,620 every month beginning May 1, 2014. Said flat rate may be adjusted annually up or down based upon each year's reconciliation statement as described in this paragraph by mutual agreement between Lessor and the Director of the General Services Agency or his/her designee. Lessor shall provide County with twelve (12) months of utility bills (water, sewer, gas and electric) and a reconciliation statement to justify any additional payment of utilities for the previous consecutive twelve (12) month period ending April 30. The utility bills and reconciliation statement shall be provided by Lessor no later than May 30 of each year. In the event Lessor fails to provide all of the utility statements (water, sewer, gas and electric) and reconciliation statement by May 30, Lessor shall forfeit any additional payment for utilities.

7. Paragraph 9 "Janitorial Services" is deleted from the Lease in its entirety and the following clause is substituted:

"Paragraph 9. Janitorial Services: County shall provide janitorial service for the Premises and the shared restrooms and hallways."

8. Paragraph 14 "Parking" is deleted from the Lease in its entirety and the following clause is substituted:

"Paragraph 14 Parking: County shall have the exclusive right to utilize fifty-one (51) on-site parking spaces, as detailed on the map attached hereto as Attachment No. 1. County acknowledges that it is currently using three of its exclusive parking spaces for a loading zone, which leaves 48 actual spaces available for parking."

9. Attachment No.1 is amended to include the additional 12 parking spaces

All other provisions of said Lease shall continue in full force and effect.

/////////////////////////////////NOTHING FURTHER PAST THIS POINT/////////////////////////////////

IN WITNESS WHEREOF, County and Lessor have executed this First Amendment effective on _____, 2014.

COUNTY OF SAN LUIS OBISPO

LESSOR: Potratz Properties, LLC , a California limited liability company

By: _____
Chairperson of the Board of Supervisors

By: 
Steven O. Potratz, Managing Member

Approved by the Board of Supervisors this
_____ day of _____, 2014

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

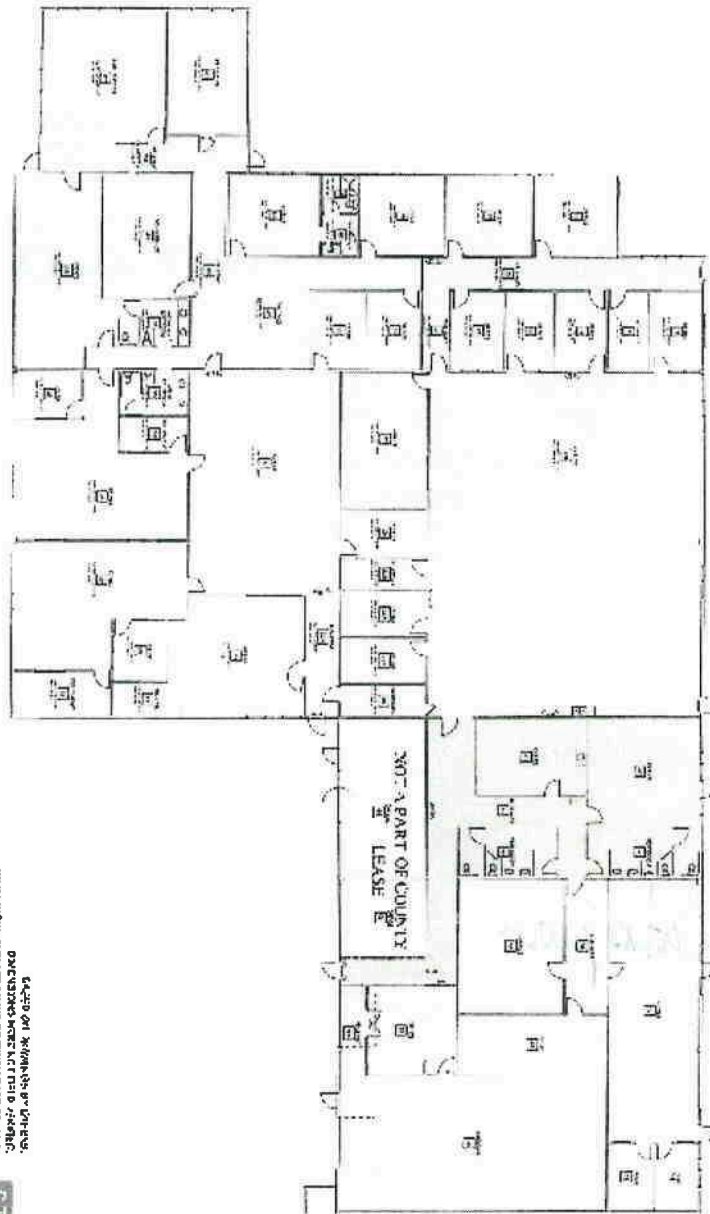
By: 
Deputy County Counsel

Date: 4/10/14

EXHIBIT A TO THE FIRST AMENDMENT

DATE: 11/11/11

LEASING AREA EXHIBIT
PARADE BUILDING



SCALE OF 1/8" = 1'-0"



STUDIO
DESIGN
GROUP
ARCHITECTS, INC.

EMPLEO

[illegible]